

Public Utilities Commission

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	4,873,200	4,551,300	5,189,400	5,249,600	5,109,000
Federal	71,200	58,100	71,900	73,900	72,000
Total:	4,944,400	4,609,400	5,261,300	5,323,500	5,181,000
Percent Change:		(6.8%)	14.1%	1.2%	(1.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,500,600	3,399,700	3,728,800	3,858,700	3,721,600
Operating Expenditures	1,413,700	1,188,500	1,471,000	1,433,200	1,427,800
Capital Outlay	30,100	21,200	61,500	31,600	31,600
Total:	4,944,400	4,609,400	5,261,300	5,323,500	5,181,000
Full-Time Positions (FTP)	49.00	49.00	49.00	49.00	49.00

Department Description

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission in 1999, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, pipeline, and railroad carrier responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (Section 61-509, Idaho Code).

The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently 0.2507%) of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently 0.8043%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (Section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

Public Utilities Commission

Agency Profile

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Strategic Planning Act Performance Measures

Selected Measures	FY 2005	FY 2006	FY 2007	FY 2008
1. Number of cases completed	216	194	169	162
2. Number of complaints/inquiries received by Commission	2,958	2,731	2,640	2,596
3. Avg. # of days to resolve complaints	6	5	5	6
4. Number of comprehensive audits	25	84	13	16
5. Number of rail hazardous material inspections	7	134	180	111
6. Number of rail abandonment investigations	2	1	0	0

Fund Information	FY 2006 Act.	FY 2007 Act	FY 2008 Act.	FY 2009 Est.
Public Utilities Commission Fund				
Beginning Free Fund Balance	\$4,534,800	\$4,869,800	\$5,244,000	\$5,451,700
Regulatory Utility Fees (.2507% of intrastate rev)	4,335,600	4,430,300	4,654,600	4,688,600
Utilities Security Issuance Fees	9,100	2,300	3,800	0
Railroad Regulatory Fees (.8043% gross op rev)	151,500	108,600	112,500	136,600
Pipeline safety program grant	7,900	33,800	45,100	0
Misc. Receipts (filing fees, copy sales, etc.)	1,400	0	1,100	0
Total Available for Year	9,040,300	9,444,800	10,061,100	10,276,900
Cash Expenditures	4,181,700	4,200,800	4,609,400	4,873,200
Encumbrances as of June 30	(11,200)	0	0	0
Ending Free Fund Balance*	\$4,869,800	\$5,244,000	\$5,451,700	\$5,403,700

*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.

Fund Sources/Uses

FY 2009 Original App.

Public Utilities Commission Fund (229-20): Each public utility and railroad corporation annually pays a special regulatory fee in such amount as determined by the Commission. The fee shall not exceed one percent of the gross operating revenues derived from the intrastate business of each railroad corporation and shall not exceed three-tenths of one per cent of the gross operating revenues derived from the intrastate business of each public utility. This fund pays the costs of regulating utilities subject to the Commission's jurisdiction.

\$5,189,400

Federal Grants (348-00): Federal monies used for physical inspection of intrastate natural gas pipelines and to evaluate pipeline operating procedures.

\$71,900

\$5,261,300

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	49.00	0	5,261,300	49.00	0	5,261,300
Health Insurance Reduction	0.00	0	0	0.00	0	(24,500)
FY 2009 Total Appropriation	49.00	0	5,261,300	49.00	0	5,236,800
Removal of One-Time Expenditures	0.00	0	(61,500)	0.00	0	(61,500)
FY 2010 Base	49.00	0	5,199,800	49.00	0	5,175,300
Benefit Costs	0.00	0	41,800	0.00	0	17,300
Inflationary Adjustments	0.00	0	19,200	0.00	0	13,800
Replacement Items	0.00	0	31,600	0.00	0	31,600
Statewide Cost Allocation	0.00	0	(57,000)	0.00	0	(57,000)
Change in Employee Compensation	0.00	0	88,100	0.00	0	0
FY 2010 Total	49.00	0	5,323,500	49.00	0	5,181,000
Change from Original Appropriation	0.00	0	62,200	0.00	0	(80,300)
% Change from Original Appropriation			1.2%			(1.5%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	49.00	0	5,189,400	71,900	5,261,300
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	0	(24,200)	(300)	(24,500)
FY 2009 Total Appropriation					
Agency Request	49.00	0	5,189,400	71,900	5,261,300
Governor's Recommendation	49.00	0	5,165,200	71,600	5,236,800
Removal of One-Time Expenditures					
Agency Request	0.00	0	(61,500)	0	(61,500)
Governor's Recommendation	0.00	0	(61,500)	0	(61,500)
FY 2010 Base					
Agency Request	49.00	0	5,127,900	71,900	5,199,800
Governor's Recommendation	49.00	0	5,103,700	71,600	5,175,300
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	0	41,200	600	41,800
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	0	17,000	300	17,300
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 1.3% increase total funds. The requested amount includes \$5,400 for employee travel costs and fuel & lubricant costs in general inflation; and \$13,800 for contract inflation.					
Agency Request	0.00	0	19,100	100	19,200
<i>The Governor recommends spending authority for increased annual office lease payments.</i>					
Governor's Recommendation	0.00	0	13,700	100	13,800
Replacement Items					
Replacement items include \$800 for computer supplies, \$12,000 for LAN equipment and components, \$1,200 for one laptop computer, \$12,800 for 16 desktop computers, and \$4,800 for 16 monitors.					
Agency Request	0.00	0	31,600	0	31,600
<i>The Governor recommends providing spending authority for replacement items as requested.</i>					
Governor's Recommendation	0.00	0	31,600	0	31,600
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: a reduction of \$59,600 for Attorney General fees; a reduction of \$400 for property and casualty insurance premiums; \$2,500 for State Controller fees; and \$500 for State Treasurer fees.					
Agency Request	0.00	0	(57,000)	0	(57,000)
Governor's Recommendation	0.00	0	(57,000)	0	(57,000)
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	0	86,800	1,300	88,100
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2010 Total					
Agency Request	49.00	0	5,249,600	73,900	5,323,500
<i>Governor's Recommendation</i>	<i>49.00</i>	<i>0</i>	<i>5,109,000</i>	<i>72,000</i>	<i>5,181,000</i>
Agency Request					
Change from Original App	0.00	0	60,200	2,000	62,200
% Change from Original App	0.0%		1.2%	2.8%	1.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>(80,400)</i>	<i>100</i>	<i>(80,300)</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>(1.5%)</i>	<i>0.1%</i>	<i>(1.5%)</i>